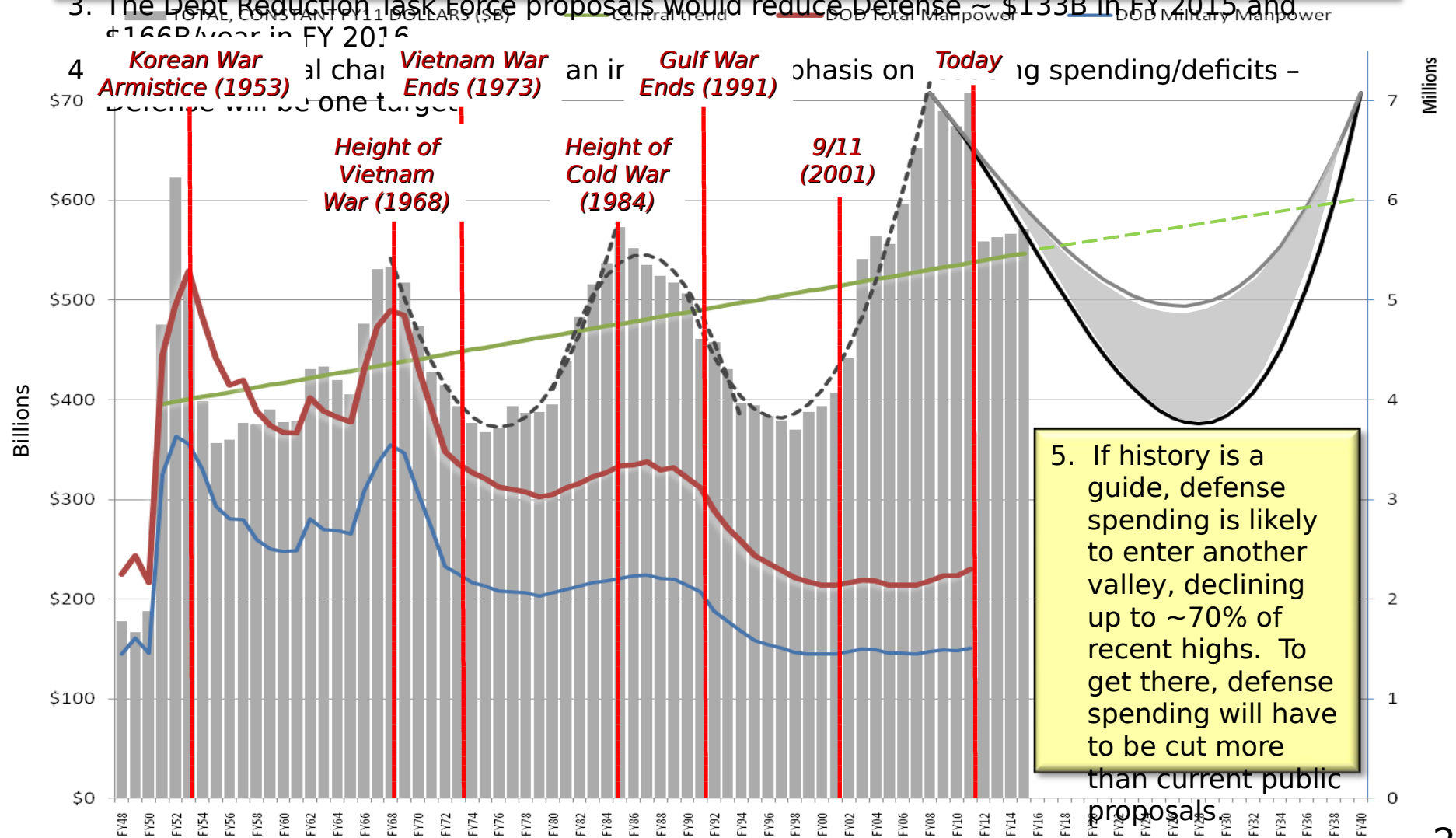
Defense Spending Will Likely Be Reduced

1. Defense spending over the last 60 years is cyclical with valleys ~300 to ~$400B/year in constant FY11 dollars.
2. National Commission on Fiscal Responsibility and Reform proposals reduce Defense ~$100B/year in FY 2015
3. The Debt Reduction Task Force proposals would reduce Defense ~ $133B in FY 2015 and $166B/year in FY 2016
4. [illegible] change in emphasis on [illegible] spending/deficits – Defense will be one target



5. If history is a guide, defense spending is likely to enter another valley, declining up to ~70% of recent highs. To get there, defense spending will have to be cut more than current public proposals.